

107TH CONGRESS
1ST SESSION

H. R. 2538

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Native Alaskans, and Native Hawaiians.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2001

Mr. UDALL of New Mexico introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Native Alaskans, and Native Hawaiians.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Native American Small
5 Business Development Act”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Approximately 60 percent of Indian tribe
2 members and Native Alaskans live on or adjacent to
3 Indian lands, which suffer from an average unem-
4 ployment rate of 45 percent.

5 (2) Indian tribe members and Native Alaskans
6 own more than 197,000 businesses and generate
7 more than \$34,000,000,000 in revenues. The service
8 industry accounted for 17 percent of these busi-
9 nesses (of which 40 percent were engaged in busi-
10 ness and personal services) and 15.1 percent of their
11 total receipts. The next largest was the construction
12 industry (13.9 percent and 15.7 percent, respec-
13 tively). The third largest was the retail trade indus-
14 try (7.5 percent and 13.4 percent, respectively).

15 (3) The number of businesses owned by Indian
16 tribe members and Native Alaskans grew by 84 per-
17 cent from 1992 to 1997, and their gross receipts
18 grew by 179 percent in that period. This is com-
19 pared to all businesses which grew by 7 percent, and
20 their total gross receipts grew by 40 percent, in that
21 period.

22 (4) The Small Business Development Center
23 program is cost effective. Clients receiving long-term
24 counseling under the program in 1998 generated ad-
25 ditional tax revenues of \$468,000,000, roughly 6

1 times the cost of the program to the Federal Gov-
2 ernment.

3 (5) Using the existing infrastructure of the
4 Small Business Development Center program, small
5 businesses owned by Indian tribe members, Native
6 Alaskans, and Native Hawaiians receiving services
7 under the program will have a higher survival rate
8 than the average small business not receiving such
9 services.

10 (6) Business counseling and technical assist-
11 ance is critical on Indian lands where similar serv-
12 ices are scarce and expensive.

13 (7) Increased assistance through counseling
14 under the Small Business Development Center pro-
15 gram has been shown to reduce the default rate as-
16 sociated with lending programs of the Small Busi-
17 ness Administration.

18 (b) PURPOSES.—The purposes of this Act are as fol-
19 lows:

20 (1) To stimulate economies on Indian lands.

21 (2) To foster economic development on Indian
22 lands.

23 (3) To assist in the creation of new small busi-
24 nesses owned by Indian tribe members, Native Alas-

1 kans, and Native Hawaiians and expand existing
2 ones.

3 (4) To provide management, technical, and re-
4 search assistance to small businesses owned by In-
5 dian tribe members, Native Alaskans, and Native
6 Hawaiians.

7 (5) To seek the advice of local Tribal Councils
8 on where small business development assistance is
9 most needed.

10 (6) To ensure that Indian tribe members, Na-
11 tive Alaskans, and Native Hawaiians have full access
12 to existing business counseling and technical assist-
13 ance available through the Small Business Develop-
14 ment Center program.

15 **SEC. 3. SMALL BUSINESS DEVELOPMENT CENTER ASSIST-**
16 **ANCE TO INDIAN TRIBE MEMBERS, NATIVE**
17 **ALASKANS, AND NATIVE HAWAIIANS.**

18 (a) IN GENERAL.—Section 21(a) of the Small Busi-
19 ness Act (15 U.S.C. 648(a)) is amended by adding at the
20 end the following:

21 “(7) ADDITIONAL GRANT TO ASSIST INDIAN
22 TRIBE MEMBERS, NATIVE ALASKANS, AND NATIVE
23 HAWAIIANS.—

24 “(A) IN GENERAL.—Any applicant in an
25 eligible State that is funded by the Administra-

tion as a Small Business Development Center may apply for an additional grant to be used solely to provide services described in subsection (c)(3) to assist with outreach, development, and enhancement on Indian lands of small business startups and expansions owned by Indian tribe members, Native Alaskans, and Native Hawaiians.

“(B) ELIGIBLE STATES.—For purposes of subparagraph (A), an eligible State is a State that has a combined population of Indian tribe members, Natives Alaskans, and Native Hawaiians that comprises at least 1 percent of the State’s total population, as shown by the latest available census.

“(C) GRANT APPLICATIONS.—An applicant for a grant under subparagraph (A) shall submit to the Associate Administrator an application that is in such form as the Associate Administrator may require. The application shall include information regarding the applicant’s goals and objectives for the services to be provided using the grant, including—

“(i) the capability of the applicant to provide training and services to a rep-

1 representative number of Indian tribe mem-
2 bers, Native Alaskans, and Native Hawai-
3 ians;

4 “(ii) the location of the Small Busi-
5 ness Development Center site proposed by
6 the applicant;

7 “(iii) the required amount of grant
8 funding needed by the applicant to imple-
9 ment the program; and

10 “(iv) the extent to which the applicant
11 has consulted with local Tribal Councils.

12 “(D) APPLICABILITY OF GRANT REQUIRE-
13 MENTS.—An applicant for a grant under sub-
14 paragraph (A) shall comply with all of the re-
15 quirements of this section, except that the
16 matching funds requirements of paragraph
17 (4)(A) shall not apply.

18 “(E) MAXIMUM AMOUNT OF GRANTS.—No
19 applicant may receive more than \$300,000 in
20 grants under this paragraph in a fiscal year.

21 “(F) REGULATIONS.—After providing no-
22 tice and an opportunity for comment and after
23 consulting with the Association recognized by
24 the Administration pursuant to paragraph
25 (3)(A) (but not later than 180 days after the

1 date of enactment of this paragraph), the Ad-
2 ministrator shall issue final regulations to carry
3 out this paragraph, including regulations that
4 establish—

5 “(i) standards relating to educational,
6 technical, and support services to be pro-
7 vided by Small Business Development Cen-
8 ters receiving assistance under this para-
9 graph; and

10 “(ii) standards relating to any work
11 plan that the Associate Administrator may
12 require a Small Business Development
13 Center receiving assistance under this
14 paragraph to develop.

15 “(G) DEFINITIONS.—In this paragraph,
16 the following definitions apply:

17 “(i) ASSOCIATE ADMINISTRATOR.—
18 The term ‘Associate Administrator’ means
19 the Associate Administrator for Small
20 Business Development Centers.

21 “(ii) INDIAN LANDS.—The term ‘In-
22 dian lands’ has the meaning given the term
23 ‘Indian country’ in section 1151 of title 18,
24 United States Code, the meaning given the
25 term ‘Indian reservation’ in section 151.2

1 of title 25, Code of Federal Regulations
2 (as in effect on the date of enactment of
3 this paragraph), and the meaning given
4 the term ‘reservation’ in section 4 of the
5 Indian Child Welfare Act of 1978 (25
6 U.S.C. 1903).

7 “(iii) INDIAN TRIBE.—The term ‘In-
8 dian tribe’ has the meaning given such
9 term in section 8(a)(13).

10 “(iv) INDIAN TRIBE MEMBER.—The
11 term ‘Indian tribe member’ means a mem-
12 ber of an Indian tribe (other than a Native
13 Alaskan).

14 “(v) NATIVE ALASKAN.—The term
15 ‘Native Alaskan’ has the meaning given
16 the term ‘Native’ in section 3(b) of the
17 Alaska Native Claims Settlement Act (43
18 U.S.C. 1602(b)).

19 “(vi) NATIVE HAWAIIAN.—The term
20 ‘Native Hawaiian’ means any individual
21 who is a descendant of the aboriginal peo-
22 ple, who prior to 1778, occupied and exer-
23 cised sovereignty in the area that now con-
24 stitutes the State of Hawaii.

1 “(H) AUTHORIZATION OF APPROPRIA-
 2 TIONS.—There is authorized to be appropriated
 3 to carry out this paragraph \$7,000,000 for each
 4 of fiscal years 2002 through 2004.

5 “(I) FUNDING LIMITATIONS.—

6 “(i) NONAPPLICABILITY OF CERTAIN
 7 LIMITATIONS.—Funding under this para-
 8 graph shall be in addition to the dollar
 9 program limitations specified in paragraph
 10 (4).

11 “(ii) LIMITATION ON USE OF
 12 FUNDS.—The Administration may carry
 13 out this paragraph only with amounts ap-
 14 propriated in advance specifically to carry
 15 out this paragraph.”.

16 **SEC. 4. STATE CONSULTATION WITH LOCAL TRIBAL COUN-**
 17 **CILS.**

18 Section 21(c) of the Small Business Act (15 U.S.C.
 19 648(c)) is amended by adding at the end the following:

20 “(9) ADVICE OF LOCAL TRIBAL COUNSELS.—A
 21 State receiving grants under this section shall re-
 22 quest the advice of local Tribal Councils on how best
 23 to provide assistance to Indian tribe members, Na-

- 1 tive Alaskans, and Native Hawaiians and where to
- 2 locate satellite centers to provide such assistance.”.

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